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# FARM INDEX

U.S.  
DEPARTMENT  
OF  
AGRICULTURE  
ECONOMIC  
RESEARCH  
SERVICE  
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# ECONOMIC TRENDS

ITEM	UNIT OR BASE PERIOD	'57-'59 AVERAGE	1966		1967		
			YEAR	OCTOBER	AUGUST	SEPTEMBER	OCTOBER
<b>Prices:</b>							
Prices received by farmers	1910-14=100	242	266	266	256	252	251
Crops	1910-14=100	223	235	233	224	217	224
Livestock and products	1910-14=100	258	292	293	283	283	275
Prices paid, interest, taxes and wage rates	1910-14=100	293	334	337	343	344	345
Family living items	1910-14=100	286	315	319	323	323	324
Production items	1910-14=100	262	285	287	289	289	289
Parity ratio		83	80	79	75	73	73
Wholesale prices, all commodities	1957-59=100	—	105.9	106.2	106.1	106.2	106.1
Industrial commodities	1957-59=100	—	104.7	105.3	106.3	106.5	106.7
Farm products	1957-59=100	—	105.6	104.4	99.2	98.4	97.1
Processed foods and feeds	1957-59=100	—	113.0	113.9	112.1	112.7	111.7
Consumer price index, all items	1957-59=100	—	113.1	114.5	116.9	117.1	—
Food	1957-59=100	—	114.2	115.6	116.6	115.9	—
<b>Farm Food Market Basket: <sup>1</sup></b>							
Retail cost	Dollars	983	1,100	1,113	1,099	1,089	—
Farm value	Dollars	388	442	436	429	417	—
Farm-retail spread	Dollars	595	658	677	670	672	—
Farmers' share of retail cost	Per cent	39	40	39	39	38	—
<b>Farm Income:</b>							
Volume of farm marketings	1957-59=100	—	121	170	129	139	175
Cash receipts from farm marketings	Million dollars	32,247	43,219	5,067	3,654	3,953	4,900
Crops	Million dollars	13,766	18,384	2,705	1,515	1,778	2,600
Livestock and products	Million dollars	18,481	24,835	2,362	2,139	2,175	2,300
Realized gross income <sup>2</sup>	Billion dollars	—	49.7	—	—	49.2	—
Farm production expenses <sup>2</sup>	Billion dollars	—	33.3	—	—	34.4	—
Realized net income <sup>2</sup>	Billion dollars	—	16.4	—	—	14.8	—
<b>Agricultural Trade:</b>							
Agricultural exports	Million dollars	4,105	6,855 <sup>3</sup>	622	470	491	—
Agricultural imports	Million dollars	3,977	4,492 <sup>3</sup>	388	369	348	—
<b>Land Values:</b>							
Average value per acre	1957-59=100	—	—	150 <sup>4</sup>	160 <sup>4</sup>	—	—
Total value of farm real estate	Billion dollars	—	—	171.1 <sup>4</sup>	182.0 <sup>4</sup>	—	—
<b>Gross National Product: <sup>2</sup></b>	Billion dollars	457.4	743.3	—	—	790.1	—
Consumption <sup>2</sup>	Billion dollars	294.2	465.9	—	—	495.8	—
Investment <sup>2</sup>	Billion dollars	68.0	118.0	—	—	109.8	—
Government expenditures <sup>2</sup>	Billion dollars	92.4	154.3	—	—	178.9	—
Net exports <sup>2</sup>	Billion dollars	2.7	5.1	—	—	5.6	—
<b>Income and Spending: <sup>5</sup></b>							
Personal income, annual rate	Billion dollars	365.3	584.0	597.5	631.6	634.4	636.0
Total retail sales, monthly rate	Million dollars	17,098	25,306	25,550	26,422	26,753	26,152
Retail sales of food group, monthly rate	Million dollars	4,160	5,927	5,949	6,019	6,058	—
<b>Employment and Wages: <sup>5</sup></b>							
Total civilian employment <sup>6</sup>	Millions	63.9	72.9	73.2	74.7	74.6	74.6
Agricultural <sup>6</sup>	Millions	5.7	4.0	3.8	4.0	3.7	3.7
Rate of unemployment <sup>6</sup>	Per cent	5.8	3.8	3.8	3.8	4.1	4.3
Workweek in manufacturing	Hours	39.8	41.3	41.3	40.7	40.8	40.7
Hourly earnings in manufacturing, unadjusted	Dollars	2.12	2.72	2.75	2.82	2.85	2.85
<b>Industrial Production: <sup>5</sup></b>	1957-59=100	—	156	159	158	157	156
<b>Manufacturers' Shipments and Inventories: <sup>5</sup></b>							
Total shipments, monthly rate	Million dollars	28,745	44,037	44,487	45,675	44,448	—
Total inventories, book value end of month	Million dollars	51,549	77,897	75,788	81,370	81,406	—
Total new orders, monthly rate	Million dollars	28,365	45,182	45,243	45,900	44,945	—

<sup>1</sup> Average annual quantities of farm food products purchased by urban wage-earner and clerical-worker households (including those of single workers living alone) in 1960-61—estimated monthly. <sup>2</sup> Annual rates seasonally adjusted third quarter. <sup>3</sup> Preliminary. <sup>4</sup> As of March 1. <sup>5</sup> Seasonally adjusted. <sup>6</sup> Series revised beginning January 1967, giving data for persons 16 years of age and older.

Sources: U.S. Dept. of Agriculture (Farm Income Situation, Marketing and Transportation Situation, Agricultural Prices, Foreign Agricultural Trade and Farm Real Estate Market Developments); U.S. Dept. of Commerce (Current Industrial Reports, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Dept. of Labor (The Labor Force and Wholesale Price Index).



# THE AGRICULTURAL OUTLOOK

When U.S. farmers open their 1968 ledger books on January 1, here's what their accounts will likely show:

- Total assets of \$281 billion.
- Total liabilities of \$50 billion.
- Net worth of \$231 billion.

Total farm assets have climbed by about \$12 billion since January 1, 1967. Most of the rise this year is the result of a 5-per-cent gain in the value of farm real estate.

Land values are up about \$9.5 billion from last January, pushing the estimated value of farm real estate to \$191.5 billion at the outset of 1968. Land is the most valuable asset used in farming.

Inventory values of farm machinery and motor vehicles are also up—and probably will set a new record high next January. At the beginning of 1967, farm machinery and motor vehicles were worth a record \$28.9 billion. Farmers' purchases of new equipment are up about 3 per cent this year over last and have offset declines in value due to depreciation.

Livestock inventories on October 1, 1967, were also larger than a year earlier. However, lower livestock prices during 1967 likely will keep inventory values on January 1, 1968, near the \$18.8 billion of last January. Crop inventories next year probably will be slightly under the \$10 billion figure at the start of 1967, as crop prices this year have not matched the 1966 level.

Farmers' financial assets (bank deposits, non-farm investments and so forth) should total close to \$22.0 billion next January 1, compared with \$21.2 billion at the outset of 1967.

Total farm liabilities on January 1, 1968, will be near \$50 billion, compared with \$45.7 billion a year earlier.

Non-real estate debt gained more than real estate debt during 1967, reflecting the relative slowdown in new farm mortgage loans made

after mid-1966 (when credit markets tightened and interest rates went up).

Farmers used a record amount of borrowed funds for operating expenses this year, despite higher interest rates. Outstanding non-real estate farm debt is expected to total \$24.9 billion at year's end, up 14 per cent from last January.

Real estate debt next January 1 is estimated at \$25.0 billion, up about 7 per cent from the start of 1967. This year's rise is the smallest in several years.

What's the overall financial outlook for 1968?

Most farmers will start the year in a relatively strong financial position, according to the 1968 agricultural finance outlook.

Cash receipts from farm marketings next year likely will exceed those of 1967, as a result of slightly stronger livestock prices and a larger volume of crop marketings. Direct government payments to farmers in 1968 are also expected to be above this year's.

But higher production expenses are in prospect, too. The gain in farmers' expenditures during 1968 could offset the gain in cash receipts.

Prices of many purchased inputs, especially labor and machinery, are expected to continue their upward trend. Machinery purchases are expected to top those of 1967 as farmers try to match their machinery to larger farming operations and to newer crop technologies.

A record crop of feed grains in 1967 will result in abundant feed supplies and lower feed costs next year. However, real estate taxes and total interest payments are likely to rise somewhat over 1967.

On balance, realized net farm income in 1968 likely will total around the \$14¾ billion indicated for 1967.

What's the credit picture in the year ahead?

The demand for short-term credit (for farmers' operating expenses) was strong in 1967

and is expected to increase still further in 1968. The supply of loanable funds on a short-term basis seems adequate to meet farmers' needs.

Funds for new farm mortgage loans also will be available. However, interest rates likely will remain near current high levels.

#### **CHANGES IN GOVERNMENT PROGRAMS ANNOUNCED**

Several adjustments have been announced recently in government programs for feed grains and cotton in 1968. The changes are aimed at adjusting output more closely to demand expectations for 1968/69. Here are some of the details of the new programs:

The 1968 Feed Grain Program is designed to encourage smaller plantings of corn and sorghum grains next year, in view of the record large 1967 feed grain crop and prospects for an increase in stocks at the close of the 1967/68 marketing year.

The goal of the new program is to divert about 30 million acres from corn and grain sorghum production—or 10 million more than was diverted in 1967.

As in years past, farmers must divert a minimum of 20 per cent of their base acreage to be eligible for loans and support payments. The 1968 program provides for a loan of \$1.05 per bushel and a support payment of 30 cents per bushel for corn—the same as in 1967. Price support for sorghum grain, oats and barley are also continued at the same levels as in 1967.

In addition, farmers growing corn and grain sorghums can receive payments for diverting from 20 to 50 per cent of their base corn or sorghum acreage to soil-conserving uses. Acreage diversion payments will be based on 45 per cent of the total price support multiplied by projected production on diverted acreage. (Barley and oats are excluded from the acreage diversion provisions of the program.)

The 1967 cotton crop—estimated at 7.9 million bales—was the smallest since 1921. This crop is expected to be over 5½ million bales short of 1967/68 mill consumption and export. The 1968 Upland Cotton Program is also designed to encourage production of a higher percentage of the medium and longer staples.

The 1968 program reduces the required acreage diversion percentage for program co-operators to 5 per cent, compared with 12.5 per cent this year. The program also raises the voluntary acreage diversion permitted to an additional 30 per cent, compared with 22.5 per cent in 1967. However, payments for voluntary diversion will be only 6 cents per pound in 1968, compared with nearly 11 cents this year.

#### **COMMODITY HIGHLIGHTS**

Prospects for 1968 point to little change in output of livestock and products over 1967.

Beef, pork and milk production next year should remain near this year's levels.

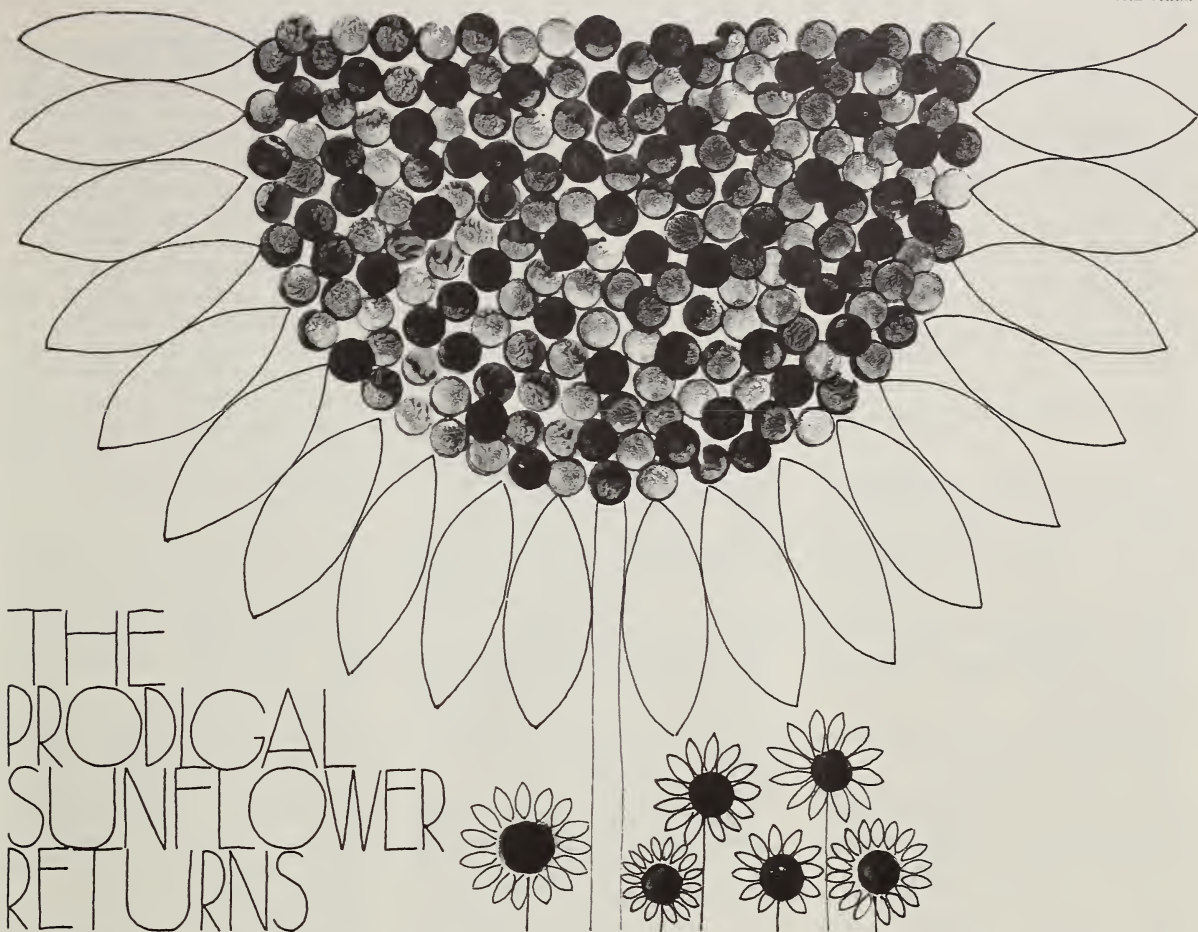
The inventory of cattle and calves next January 1 is expected to be about ½ per cent smaller than the 108.5 million head on farms at the outset of 1967. As in the last two years, reductions in the number of dairy cattle on farms likely will more than offset an expected increase in beef cattle numbers.

Hog producers in 10 Corn Belt States reported last September that they would have slightly fewer sows farrow this fall and winter than in the same periods a year earlier. However, there is a plentiful supply of lower priced feed, so these plans may be revised upward in coming months.

Milk production in 1968 likely will total near the 120 billion pounds in prospect for this year. While continued gains in milk output per cow are expected, higher livestock prices and off-farm opportunities for dairy farmers suggest that dairy cow numbers will continue to decline at nearly the same rate as in 1967.

A small decline in turkey and egg output and a slight increase in broiler production is indicated for 1968. Turkey and egg output likely will be cut back from the record-high levels of 1967—in response to the lower prices and higher production costs which have prevailed this year. Although the same forces have motivated a reduction in broiler hatchery supply flocks in recent months, the uptrend in broiler production is expected to resume in 1968. Next year's gain will probably be less than this year's expected 3-per cent rise.





# THE PRODIGAL SUNFLOWER RETURNS

*A wild U.S. prairie flower takes a trip overseas and returns with a Russian accent and an oil content that enhances its crop appeal for Red River Valley farmers.*

A bright native American flower traveled to Russia to become a big money crop:

The sunflower.

Grown centuries ago in the lands now known as the Midwest, sunflowers as a U.S. crop have in more recent years been harvested primarily for the whole seed trade.

Yet, by hybridizing the New World flower, the USSR has been able to bring sunflower oil yield up from 27-31 per cent in 1950 to 40-44 per cent in 1965. And Soviet agricultural authorities predict

that upcoming varieties will be yielding close to 60 per cent oil within a few years.

By comparison, oil content for flaxseed is 36 per cent, and for soybeans—major U.S. oilseed export—20 per cent.

The sunflower's success abroad has renewed farmers' interest in growing the flowers as an oilseed crop in the Red River Valley of Minnesota and North Dakota. These two states have thus far accounted for most of U.S. acreage and commercial output.

The 1967 acreage planted to sunflowers in these states is estimated at 236,000 acres—about three times the 76,000 acres planted last year. Almost half, or 116,000 acres, are of the oilseed varieties.

If yields per harvested acre average at about the 1966 rate (900 pounds), total 1967 sunflower seed production in the Red River Valley and adjacent counties will be around 200 million pounds, in contrast to 65 million pounds in 1966—when world production was 8.6 million metric tons.

Yield of sunflowers per acre in 1966 averaged 920 pounds in Minnesota and 880 pounds in North Dakota.

Many farmers had yields of 1,000 pounds per acre, and some got 1,500 to 2,000 pounds.

The 1966 gross return per acre from sunflowers in Minnesota-North Dakota averaged about \$48, compared with \$27 for flaxseed and \$62 for soybeans.

If sunflowers are to compete

## HYBRID SUNFLOWERS DO WELL IN MINNESOTA

Variety of Sunflower	Years of Trial	Yield Per Acre	Oil Content
		Pounds	Per cent
Arrowhead	1962-66	1,653	30.2
Mingren	1962-66	1,639	28.3
Commander	1963-66	1,493	28.1
Peredovik	1962-66	1,355	43.8
Armavirc	1965-66	1,231	42.9
VNIIMK 89.31	1963-66	1,538	44.4
Smena	1964-66	1,428	46.4

Data for varieties not grown in all years are adjusted to be comparable.

economically with soybeans in areas where both crops are grown, high yields are necessary. They can be obtained by planting adapted varieties and following recommended fertilizing and other cultural practices.

Properly processed, the sunflower has a diversified and profitable potential.

U.S. growers are now taking a second look at its uses:

**Vegetable oil.** Dwarf and semi-dwarf varieties, with small seeds and small heads, have the highest oil content and are thus preferable for oil processing. Moreover, their relatively uniform height makes harvesting with a grain combine practical.

Sunflower seed oil—pale yellow—can be used as a cooking and salad oil and in manufacture of margarine and shortening, soups and other food items.

Good grades of oil can be refined with a low processing loss. The oil is high in polyunsaturates and has excellent keeping quality.

Sunflower seed oil is also used in a wide variety of manufactured products such as paints, varnishes, plastics, caulking compounds, putty, and cosmetics.

**Birdfeed.** Wild bird feeding is one of today's major U.S. uses for whole sunflower seeds. Owners and traders of birds and small pets—such as hamsters and squirrels—make up a sizable market for the seed.

**Seeds.** Whole or dehulled, salted, roasted, or otherwise processed—sunflower seeds are growing in popularity as a snack. They are also being used in increasing volume as nutmeats in candy, salads and bakery goods.

The familiar, tall-growing, large-seeded sunflower that shoots up besides barns and fenceposts all over the Midwest is the type still used to a large extent in the whole seed trade.

**Hulls, stalks and heads.** These are probably the least valuable of the sunflower products. They are used mainly as poultry litter, fertilizer, mulch and fuel. The Russians, however, have developed a method of fermenting them into alcohol. (1)

## Cattle Fattened in Colorado Feedlots Bring in Half of State's Farm Income

Colorado is many things to many people: a slalom run to the sportsman . . . a goldmine to the mineralogist.

To the cattleman, Colorado is a feedlot. Half of all the state's cash farm income comes from the sale of beef cattle and calves.

In marketings of fed cattle, Colorado ranks sixth in the nation. And Colorado's total beef cattle numbers—rising steadily in the past 15 years to 2,693,000 head at the beginning of last year—rank eleventh among 32 major

cattle producing states.

Put another way: Colorado has 3.3 per cent of the total beef cattle in the U.S., while top-ranking Texas has 12.1 per cent. In between are Iowa, Nebraska, Kansas, Oklahoma, South Dakota, California, Missouri, Illinois and Montana—in descending order.

Colorado is surpassed only by California in the volume of fed cattle marketed per feedlot.

The average number of cattle marketed per Colorado feedlot is around 770 head. But the 15 largest feedlots in the state market about 40 per cent of the fed cattle, with an average of more than 25,067 head per feedlot.

Colorado's cattle feeding industry was the subject of a recent survey by the Colorado Agricultural Experiment Station, in cooperation with ERS and the Colorado Cattlemen's Association. Among the findings:

—Rate of turnover in large feedlots, at 1.54 a year, is over twice that in small feedlots, which place cattle on feed fewer times during the year. A feedlot's turnover is 1.54 if its normal capacity is 1,000 and 1,540 head of cattle move through it in a year.

—About 90 per cent of small feedlots sell finished cattle no oftener than five times during the year, while all large feedlots sell slaughter cattle throughout the year.

—Feedlots with less than 500-head capacity make up over 85 per cent of the state's total number of feedlots, but feed only 18 per cent of the cattle in the state.

—Almost all small feedlots are owned by individuals or partners, while large feedlots are organized as corporations.

—The larger the feedlot, the greater the tendency to borrow operating and fixed capital. Farm feeders pay higher average interest rates than commercial feedyards.

—Over 95 per cent of cattle fed in Colorado are slaughtered there. (2)



## Pennsylvania's Agricultural Output High, Though Number of Farms Drops

The number of farms dwindles, but the resources don't vanish. That's the U.S. farm story of the 1950's and '60's.

Take Pennsylvania. In 1940 there were 182,000 farms; in 1960 only 106,000 remained. By 1965, the number had fallen to 82,000.

A study of farms in southeastern Pennsylvania shows some of the changes that took place between 1960 and 1965. Of an original sample of 227 farmers in 1960, 14 per cent had ceased farming in 1965; however, the total acreage declined only 5 per cent.

From 1960 to 1965:

—Thirty-one of the 227 operators gave up farming.

—Resources of 19 of the 31 were incorporated into other farms.

—On the remaining 196 farms, average acreage rose 11 per cent.

The changes in types of farms were also significant. Of the 161 dairy farmers in 1960, 22 (14 per cent) went out of business and 32 switched to nondairy activities. Of the men who were originally nondairy farmers, two switched to dairying, and nine (also 14 per cent) went out of business. Of the 196 farmers remaining in 1965, 109 were dairy farmers and 87 were nondairy farmers.

Acreage increased 13 per cent on dairy farms; 3 per cent on nondairy. The switchover of small dairy farmers to nondairying held down the growth of acreage on nondairy farms.

What were the characteristics of the 31 farmers who quit? In general, they had inadequate farm resources and many of the farmers held off-the-farm jobs.

Of those who quit, 10 had less than 60 acres, only seven had 140 acres or more. The operators of small farms found it too expensive to adopt new techniques to enable them to compete with their larger neighbors.

Twenty-one per cent of the operators who quit had off-farm jobs, while only 11 per cent of those remaining in business worked off the farm. Off-farm employment was usually the first step in a complete departure from farming. (3)

## Cotton Growers Cut Costs as They Get Bigger Yields With Less Labor

Penny saved, penny gained. And the difference between 27.3 cents and 28.4 cents comes just about to that penny.

It's also the estimated 4 per cent by which U.S. upland cotton growers cut down their total 1965 production costs, per pound of lint, from 1964 costs.

And, considering that the growers' 1965 crop was 14,956,000 bales, each of 480 pounds lint, the savings comes out to quite a few pennies.

The total cost figure for 1965—which covers charges for land and items of general farm overhead—was based on ERS interviews with 4,680 farmers who planted at least five acres of cotton.

Total direct costs—not counting land and general overhead—averaged 20.9 cents per pound.

Including both direct and imputed costs, about 73 per cent of the total U.S. cotton crop in 1965 was produced at a total cost of less than 30 cents a pound, compared with 64 per cent in 1964.

The one-cent decline in total production cost per pound in 1965 was largely due to higher yields.

Less labor input, especially hand harvesting, also was a factor. Labor costs per acre harvested in 1965 dropped to \$35 per acre from \$42 in 1964.

About 85 per cent of the 1965 crop was machine harvested, in contrast to 76 per cent the year before.

While production aids such as mechanical harvesting and chemical weed control reduce labor costs, they increase power and

equipment costs. These rose from \$34 per acre in 1964 to \$37 in 1965.

Most other input items, too, have gone up. Cost of herbicides, at \$2.55 per acre in 1965, was 60 per cent higher than in 1964. And fertilizer costs, averaging \$11.79 per acre, were up 3 per cent.

On a regional basis, estimates of total production cost per pound of lint ranged from an average of 24.7 cents in the Mississippi Delta Region to 34.9 cents in the Upper Rio Grande-Trans Pecos Region of Texas and New Mexico.

Nationwide, farmers covered in the survey received 28.4 cents per pound of lint for their 1965 crop, compared with 29.3 cents per pound in 1964. (4)

## Farmland Values Rise Again in 1967; Competition for Rental Land Stiffens

Tighter credit and higher interest rates have failed to halt the steady climb in farmland values.

Last March, farm real estate was valued at \$182 billion. Next March, farmland values should reach nearly \$191.5 billion.

Here are some details of the farm real estate market in the year ended March 1, 1967:

—Largest advances in land values occurred in the Corn Belt and Lake States, where values rose 9 per cent and 8 per cent, respectively.

—Average value per acre of farmland for the nation reached \$167, compared with \$157 in March 1966. The average value per farm climbed from \$57,100 in 1966 to \$63,200 last March.

—Total transfers of farm real estate amounted to 129,000, 6 per cent fewer than the year before.

—Total acreage transferred came to about 26.5 million, or about 2½ per cent of all land in farms.

—Active farmers, particularly the larger operators, represented nearly two-thirds of all buyers in the land market. Larger, estab-

lished farmers with greater anticipated incomes and larger equities have not experienced the financing limitations from lending institutions which have hindered other potential buyers.

—Seller financing continued to gain in importance, as commercial credit tightened in the last half of 1966 and early this year. A survey last March indicated 41 per cent of all credit sales were financed by the seller, an increase of 6 per cent over a year earlier. Nationally, over three-fourths of seller-financed sales were reported to be land contracts.

—Competition for rental land stiffened as land values rose. In instances where capital limitations prevented land purchases, land rental was often the only alternative for farmers wishing to expand their operations.

At the national level, gross cash rent for commercial tenant farms averaged \$9.55 per acre in the year ending last March 1. Regional averages ranged from less than \$3 an acre in the Mountain Region to over \$20 an acre in the Corn Belt and Appalachian Region. (In the latter region, rental arrangements were often for land with tobacco allotments.)

Demand for rental land will remain strong in 1968 with farmers in some areas, particularly the Corn Belt, actively bidding up rental rates.

What's the market outlook for next year? Moderate price advances and activity in the farm real estate market seem likely in 1968, though increases may be dampened by the continuation of high interest rates and a general cost-price squeeze in agriculture.

The consensus among lending agencies is that farmers will accept the higher cost of credit along with higher prices of other production inputs. However, expansion of farm size, the primary motivating factor in the current farm real estate market, is likely to be limited chiefly to larger, established farm operations. (5)

## Farmowners Like Package Insurance For Its Wide Coverage at Low Cost

Package insurance policies have been popular with homeowners for years. Now the same type of multiple-peril insurance protection, called a "farmowner's" policy, is gaining favor with farmers.

The first package policy for farmowners was offered in about 1960; by the end of 1966 an estimated 450,000 had been written. Package protection is most widespread among Corn Belt farmers, who paid 35 per cent of all the farmowners' premiums in 1965.

Farmowner policies are generally written for a minimum of \$8,000 and insure the farm dwelling and its contents against damage or loss by fire, wind, theft or other acts of fate or bad fortune such as riots or falling aircraft. The policy also pays for living expenses while a damaged building is being repaired, plus comprehensive personal liability and medical bills. At the farmer's option, the other farm buildings, equipment and livestock may also be insured, provided certain minimum coverages are obtained.

One of the big attractions of farmowners' package insurance is the lower premium rate. Generally the charge is at least 10 per cent

less than rates for the same coverage bought separately.

Another appealing feature of the package is the convenience of dealing with only one agent for most insurance needs, and of carrying fewer policies with less frequent payments and renewals.

Not all farms are eligible for package protection, however. Policies are written only on farms under direct management control of the owner (which usually excludes cash rented farms). Also, the minimum coverage requirement of \$8,000 on farm dwellings generally rules out many farms with lower property values. (6)

## Farm Mortgage Loans Drop Sharply In the First Six Months of 1967

Down 29 per cent, that's the drop in the amount that farmers borrowed from the three major farm mortgage lenders in the first half of 1967.

In all, \$882 million in new money was loaned during 1967's first half by 19 life insurance companies, the federal land banks and the Farmers Home Administration. That's \$360 million less than in January-June 1966.

The decrease by the life insurance companies was due to a stronger competition for loanable funds, while the FHA decrease resulted from FHA's policy of withdrawing from direct farm mortgage lending. FHA's insured loan activity increased.

The three groups of lenders reported that the rate of repayment of principal by the farmers declined from 5.1 per cent of January-June 1966 to 4 per cent in the first half of 1967.

The total amount owed the three reporting lenders on June 30, 1967, was \$11.3 billion, 7 per cent higher than on June 30, 1966.

Although the amount of new money loaned in the six-month period was significantly lower than a year earlier, the amount loaned exceeded repayments. (7)

### *Falling Fat*

A leaner hog means less lard.

Hogs today are about 11 per cent meatier than in 1952, but carry less fat than they used to. As a result, yields of lard per 100 pounds of live hog slaughtered have declined 25 per cent.

These lower yields reflect improved breeding methods and feeding practices, as well as the gradual shift to the meat-type hog.

Lard production in 1951/52, when hog slaughter was 78 million head, was 2.6 billion pounds. In 1965/66, when hog slaughter was 71 million head, it was down to 1.9 billion. (8)



# NEW LIVES FOR OLDER FARMERS



*After a stint of 30 to 50 years or more successfully farming and raising a family, what does a man do for an encore? New programs help oldsters find the answer.*

Children may sing about the old farmer in nursery rhymes. Adults may retain the nostalgic picture of Grandma, Grandpa and Old Dobbin out on the farm. But reality today is quite different.

In some cases, things are actually better than the romantic picture. Grandpa, for example, has mechanized his farm and Grandma now prepares her famous meals in a stainless steel kitchen. In fact, much of rural America is beginning to enjoy the benefits of progress.

In far too many cases, however, things are worse. And this is where various programs on the federal, state and local levels come in. They frequently provide the

aging farmer with a future.

In the early 1900's, the assistance given to the elderly—both urban and rural—was little more than token. And if the recipient didn't like it there was always the poorhouse.

Today, by contrast, many an oldster—including the over-65 farmer—can pick and choose between many forms of assistance that are his by legal right.

One of the reasons for this change is that there are more old people today, both in absolute and relative terms. In 1850, only 3 per cent of our population was over 65. One hundred years later, it was 9 per cent. Of the total rural population of 54 million in 1960, almost 5 million were in the 65-plus group.

*The many faces of the rural aged.* The rural elderly include the Navajo and the Negro and the Wyoming cowboy. The group embraces the subsistence farmer in

Appalachia, the plantation owner in Alabama, and the dairy farmer by Wisconsin's lakes.

It also includes the Pennsylvania coal miner, the upstate New York merchant villager, the factory worker commuting from the countryside, and the retired teacher.

Rural senior citizens, in fact, come in the same wide assortment as the rest of Americans. But some of their characteristics are unique.

Being rural, they live in sparsely populated areas and, one way or another, they have been removed from many of the social, economic and political developments now going on in American life.

They tend to be poorer than the average. They have far less to spend on housing, medical care, clothing or transportation and recreation. And, as part of the rural population, they are now outnumbered more than 3 to 1 by



the urban society.

*The tools at hand.* The older members of the population can turn to an increasing number of programs to help them help themselves.

Federal programs range from the extension of social security benefits and Medicare to farmers to real estate loans and work opportunities with such programs as VISTA (Volunteers in Service to America).

Though state programs are not uniform, all include some form of old age assistance with \$77 being the average monthly payment.

Local efforts concentrate on health, housing and recreation, with the establishment of senior centers, home aid services, and visiting nurses.

Some of the efforts supported by the federal government are: research on the nutritional needs of older people; studies of the impact of older people on the economy; small business loans which apply to older citizens; and medical and rehabilitation services of the Veterans Administration.

*Social Security.* Social security now offers special provisions for farm operators and farm employees. The farm operator may receive social security credit if his net annual earnings are \$400 or more. And though rental incomes usually do not count for social security purposes, farm rentals count if the landlord takes part in farm production.

A farm employee is entitled to social security credits if the employer pays him \$150 or more in cash during the year or he works for the same employer at least 20 days.

Some of the newer provisions of the program are:

- benefits at a reduced monthly amount may be paid to widows at age 60;

- most persons over 72 are eligible for payments;

- an insured worker whose disability is expected to last for a year may qualify for benefits after

### *Drop-In at Grand Trunk*

Want to march in a parade, gorge on ice cream or go behind the scenes of an assembly line factory?

If you're interested, the place to begin would be the old freight office of the Grand Trunk Railroad in St. Johns, Michigan.

The former railroad office is now the official Drop-In Center for Clinton County. It's a product of the youthful zest of the county's old folks who decided to put their own resources to work solving some of their income, health and recreation problems.

Rural Clinton County is about 20 miles from Lansing, Michigan. St. Johns, population 5,636, is the county seat.

The county's senior citizens have turned the abandoned office into the hub of social, recreational, educational and creative programs for the whole community.

Volunteers staff an information, referral and employment service at the Drop-In Center.

Other workers plan ice cream socials, birthday parties, pot-luck lunches, bake sales and card parties. They run dances, maintain a band and keep a bowling league in operation. And they offer scenic trips to state attractions and guided tours of various institutions or corporations in Michigan. They can and do organize parades at the first sign of a blizzard.

The oldsters also rent out their Drop-In Center to the City Recreation Department for various youth and community activities. A visiting program provides companionship for patients in the county infirmary and gives shut-ins special attention.

The Drop-In Center also has found ways to augment incomes of members. One local manufacturing plant offers a chance for some senior citizens to earn supplementary money and the older women sew in their spare time for working wives and mothers in the community.

With the help of members of the Drop-In Center, zoning laws and building codes have been studied and modified to meet the special needs of the aged. And the senior citizens also plan to build an apartment house of their own in downtown St. Johns. (9)

seven months' unemployment.

—divorced women and widows who remarry are eligible for the larger of two benefits: one-half of the retirement benefit of the former husband or one-half the benefit of the earnings of the latest husband.

*Medicare.* Since July 1, 1966, nearly all persons over 65 in the United States have been eligible for hospitalization, extended care services and home health visits at greatly reduced costs.

Also, they may enroll for a medical service insurance at \$3 a month. This voluntary part of the Medicare program pays 80 per cent of the following charges after allowing for a deductible \$50 in a calendar year:

- physicians' and surgeons' services;

- home health services regardless of prior hospitalization; and

- other medical and health services.

*Other programs for the aged.* The Administration on Aging, a function of the Department of Health, Education and Welfare, helps coordinate various programs for the aged, from the state to local level. The Administration cooperates with national and local voluntary groups and institutions to help stimulate new programs for senior citizens.

In addition to the work of the Administration on Aging, the U.S. Employment Service and its state offices have strengthened their programs for placement, development and counseling services to workers aged 45 to 60.

The Economic Opportunity Act of 1964 authorized loans up to \$2,500 to low-income rural families to finance enterprises that supplement their farm incomes.

Many older persons, including some from rural areas, have become teachers, aides, counselors and advisers in the VISTA program. For this work they receive a living allowance, housing, supplies and equipment plus a monthly payment of \$50. (9)

## SOME OF THE MAJOR GOVERNMENTAL SERVICES AVAILABLE TO THE SENIOR CITIZEN

Source	Types of services—			
	Income	Health, medical care, rehabilitation and social services	Housing	Employment, education and training
Agriculture	Surplus commodity donations; food stamps	Nutritional research; consultation and technical assistance	Direct loans; loan guarantees; grants	Research on farm labor working force; programs conducted by extension service
Civil Service Commission	Civil service retirements; survivors annuities; payments to life insurance beneficiaries; health benefits payments	Administers Federal Employees Health Benefits Act		Administers Federal Competitive Civil Service System (no age restriction); serves as central personnel agency; in-service training of federal employees; promotion of pre-retirement planning programs
Commerce	Census and other surveys and statistical services		Census and other surveys and statistical services	Census and other surveys and statistical services
Defense	Military retirement; military disability insurance	Hospital and medical care for retired military personnel and dependents		
Health, Education and Welfare	Old-age insurance; survivors insurance; disability insurance; old-age assistance; aid to the blind and permanently and totally disabled; medical assistance to the aged	Construction of health facilities; grants; training; direct services; technical assistance and consultation; food and drug protection; vocational rehabilitation; health insurance	Consultation and technical assistance; standards; research	Consultation and technical assistance; grants for vocational education; vocational rehabilitation; adult education and library services; grants for training and research; pre-retirement preparation education
Housing and Urban Development		Mortgage insurance for proprietary nursing homes; grants for neighborhood facilities; consultation and technical assistance	Mortgage insurance; rental contributions; construction subsidies; direct loans, research on housing for the elderly; experimental housing mortgage insurance; demonstration grants; consultation and technical assistance; Public Housing Administration	Consultation and technical assistance; in-service training; grants for training
Labor	Unemployment compensation; training allowances			Employment counseling; testing; placement; occupational and labor market information; training; technical assistance; labor statistics; manpower development and training
Railroad Retirement Board	Railroad retirement; railroad disability retirement; survivor annuities; railroad unemployment and sickness insurance			
Small Business Administration		Loans to privately owned health facilities		Consultation and technical assistance to small businesses
Treasury	Tax benefits (age 65 double exemption, retirement income credit, medical expense deductible)			
Veterans Administration	Disability and survivor benefits to veterans and certain dependents; life insurance proceeds to beneficiaries	Direct services; in and out-patient care; medical and vocational rehabilitation for service-connected disability; hospitalization for certain war veterans		Counseling (limited eligibility)



## Delmarva, A Tristate Area, Faces Multiple Job and Poverty Problems

You may not find "Delmarva" in your atlas, but it is a real enough place on the eastern coast. The peninsula, like its name, is made up of parts of Delaware, Maryland and Virginia and lies between the Chesapeake Bay and the Atlantic.

In 1960 some 80 per cent of the population was rural, compared with the national average of 30 per cent. The largest Delmarva community, Salisbury, Maryland, had a population of 16,000. Less than a dozen communities in the area boasted as many as 2,500 persons.

Delmarva shares with the Ozarks, Appalachia and other sections of the United States the usual problems of a rural area—underemployment and low incomes.

The median income for a Delmarva family in 1959 was \$4,330, 25 per cent lower than the rest of the nation. And, one out of every three families earned less than \$3,000 a year, a generally accepted threshold of poverty.

Lower incomes are related partly to age and education.

However, USDA economists have estimated that persons in Delmarva would have earned from 15 to 20 per cent more than they did in 1960 if they were as effectively employed as labor nationally. These estimates include adjustments for effects of age and education of members of the labor force. In some respects, this lost income would approximate the income lost if 15 to 20 per cent of the labor force were unemployed and the rest were employed with productivity and earnings at the national average ratio. This underemployment equivalent is called underemployment.

The underemployment rate in Delmarva is greater than the 10 per cent estimated for the Appalachian Region but less than the

20 per cent estimated for the Ozarks.

One striking similarity of the Delmarva peninsula to other "lagging" regions is the somewhat higher percentage of women in the labor force. In Delmarva, women make up 38 per cent of the labor force; the national figure is 34 per cent.

However, Delmarva has one advantage over some of the other regions. It runs parallel to part of the great megalopolis that stretches from Boston to Washington, D.C. Delmarva's western shore is about 50 miles from the Washington-Baltimore area via the bridge that crosses the Chesapeake Bay.

The proximity of these major metropolitan centers has already caused tourism to flourish on the beaches along the Atlantic.

Assateague Island National Seashore, a new attraction, lies between Chincoteague Bay and the Atlantic Ocean, just south of Ocean City, Maryland.

In addition to recreational activity the location might attract additional industry. Now that there are connecting bridges on the north, south, and west, overnight transportation of goods and services is possible to such points as Charleston, South Carolina; Pittsburgh, Pennsylvania; and Portland, Maine. (10)

## Improvement Is the Key to Value, At Least as Far as Land Is Concerned

Land use determines land value.

A plot of land, for example, may be worth more as a playground or a forest than as a farm.

In 1959 there were 264 million acres of privately owned land in rural areas of the United States that were not in agricultural use. Their value as a playground depends on their potential development.

In a recent survey of land value, the Economic Research Service noted that:

—Except for a few scenic wonders, land in its natural state provides a minimum of salable recreation services.

—A plot of land just measured off and labeled "recreation area" will attract few customers and gain little from the label. Substantial sums must be invested in buildings, access roads and facilities to make recreation land profitable.

—Land with a lake, a river or a stream is three to four times more valuable than land without water for recreation. Waterfront land is especially valuable. Estimates for water frontage were \$35 per front foot in the Northeast, \$40 in the Southeast and \$60 in Appalachia. (11)

AVERAGE ESTIMATED MARKET VALUE PER ACRE OF RURAL LANDS, MARCH 1966

Land Use	Northeast	Appalachia	Southeast
Forestry	\$ 25	\$ 60	\$ 70
Farming	225	175	150
Private recreation:			
Without water access	400	325	425
With water access	1,175	1,100	1,725
Rural residences	1,025	725	575
Subdivisions	1,000	875	825
Industrial, commercial	3,550	2,450	3,550



## choose your chow line



*Whether it's a hamburger heaven or expensive gourmet restaurant, U.S. diners have the widest choice ever. They may now select from more than 371,000 eating places.*

If you fondly remember taking your wife to a quaint little spaghetti place in San Francisco five years ago and hanker to go back, don't be surprised to learn that it's a chicken carryout today. Or, that it's a store or office or other place of business.

According to a study now being carried on jointly by the USDA and the food industry, there's a 50-50 chance that the restaurant you remember has changed ownership since you were last there.

But with more than 371,000 establishments with food service in the U.S. you should have little difficulty finding another one to suit your tastes, whatever they may be.

Change is the name of the game in the food service business. Almost 21 per cent of the owners of separate eating places were not at their present locations a year ago; 44 per cent have been there less than 3 years; and 56 per cent have made a change in 4 years.

These figures are based on personal interviews covering over 6,000 food service operations in areas specially selected as representative of the nation as a whole.

Operators of all eating places in these areas were asked to participate except those connected with elementary and secondary schools, military services, federal or state correctional institutions, on-board bus, train or airline food services, federal hospitals and boarding houses.

The food service industry might have more individual consumer transactions daily—calculated at more than 100 million—than any single kind of business.

The average for all establishments with food service is 276 daily transactions, although institutions average 684. Hospitals

with 1,031 and colleges with 2,636 top the list.

Including working owners, nearly 3.3 million persons work in food service outlets. The average place has nine workers. Hospital food outlets employ an average of 36 and college outlets 75.

About 40 per cent of the separate eating places surveyed specialized in varied American plate meals. Over 30 per cent primarily served sandwiches, refreshments and snacks. About 5 per cent specialized in steaks, chops and roast beef; and the same percentage served Italian foods.

More than 293,000 food service operations offer table and booth service; 230,000, counter service; 171,000, carryout service; 36,000, drive-in service; 25,000, cafeteria; and 88,000, other types of service such as automat, catering and banquet, vending machines and room service. (12)

## Increases in Demand and Production Change the Meat Products Industry

The market for processed meats—sausage, luncheon meats and the like—has been growing along with U.S. population and the consumer's income.

At the same time, the number of federally inspected processing firms has also grown—from 1,155 to 1,322 between 1961 and the beginning of 1965. And volume of inspected processed products increased by almost 1 million pounds per firm during the same period.

The heavier demand for processed meats has led to some shifts in the organizational pattern of the processing industry. Most noticeable has been the tendency for processing firms to become more equal in size.

Smaller firms have grown more rapidly than larger ones—and newer firms have varied little in size—is the finding of an ERS study of federally inspected processing plants (64 per cent of which did no actual slaughtering).

### Eating Out Tonight? Here's How Many Separate U.S. Eating Places\* Offer the Service You Want

Type of service offered	Separate Eating Places	Primary Type of Service in—
Table or Booth	160,438	100,304
Counter	132,609	46,211
Cafeteria	7,528	5,675
Drive-in	33,208	24,862
Carry-out or Pantry	115,555	21,844
Other	34,544	2,838

\* Excludes eating places in drug stores, factories and other places where food service is not the main business activity

Though the four largest firms did 31 per cent of all federally inspected meat processing in 1964, this was 4 per cent less than their share four years earlier.

The Southeast and South Central States showed the greatest growth in numbers of federally inspected meat processing firms, along with the greatest decrease in the average size of those firms among regions. (13)

## Western Trucks and Trains Compete To Transport Cattle More Comfortably

In 1904, most cattle were moved on hoof and by rail. There were just about 700 trucks in the whole United States.

By 1962, there were almost 13 million private and for-hire trucks registered. They were hauling 36 per cent of the total overland freight transported. And 75 per cent of all western cattle were shipped by truck in 1962.

Cattle are big business in the West. Receipts from sales of cattle and calves in the 11 western states have averaged \$1.8 billion annually since 1961.

The largest cost in marketing cattle is transportation. It looms larger in the western marketing bill because of the greater distances to the consumer.

A recent study of transportation as it affects the western industry notes:

—Average distances hauled by truck in the 11 western states range from 226 to 718 miles.

—Average weight of load varies from 23,329 pounds for a truck loaded in New Mexico to 35,913 pounds in Montana.

—Average rate per hundred-weight for truck transport varies from \$0.53 in New Mexico to \$1.24 in Montana.

Advantages of truck transportation for cattle, according to the study, include:

—Nearly all parts of the United States are accessible by truck.

—A livestock shipper can own as many of his trucks as he needs; hire others when wanted.

—Truck transportation reduces the amount of handling; livestock can be shipped on the same truck from feedlot to their destination.

—Trucks are usually available anytime and on short notice.



—The cattle spend less time on the road, meaning less shrinkage, injury and death loss.

—Trucks come in numerous sizes, offering great flexibility in the size load that can be shipped. This is especially true for short hauls.

As the distances involved become greater, railroad transport becomes more competitive.

In peak seasons, for long hauls, railroads set up special livestock trains, usually moving between feeder livestock producing areas and major midwestern livestock markets. This service is available to any shipper or group of shippers if the total shipment is 25 cars or more.

For a nominal fee, \$7.00 per car, railroads will provide rest and feeding stops for cattle. This amounts to about three cents per hundredweight of the cattle shipped.

New railroad cars give cattle an easier ride. Some are equipped with metal shutters for protection in winter and painted to withstand the heat of the summer sun. (14)

## Grain Goes First Class Aboard New Bulk Carriers, World's Largest Ships

Passengers aboard luxury liners aren't the only first class travelers on the oceans these days.

Grains and dry chemicals such as fertilizers now get the best in automated care and treatment aboard some of the world's largest and most modern ships.

Before 1946, ocean cargo was typically transported in small,

general purpose freighters. Today the trend seems to be toward large, specialized carriers.

Although the actual number of cargo ships in the world decreased by 88—from 11,019 vessels to 10,931 vessels—between 1965 and 1966, the number of bulk carriers and tankers increased by 204, and the average capacity of these new ships was 2,000 long tons more than the old freighters.

Since 1946 the average capacity of bulk carriers (ships usually carrying grains, ores and dry chemicals) rose over 247 per cent.

Many of these new ships are so large that they cannot negotiate either the Panama Canal or the Suez Canal and must travel around Cape Horn or the Cape of Good Hope to reach India.

Because of the longer length of the Pacific voyage, the Panama Canal is not an important factor in grain trade to India. But the recent closing of the Suez due to the Arab-Israeli conflict has raised ocean freight rates on heavy grains such as corn, wheat, soybeans and grain sorghum.

Differences in "via Suez" and "via Cape of Good Hope" rates, where comparison is possible, show 1967 second and third quarter variations from \$1.40 per ton on foreign ships to \$3.61 per ton on United States ships.

With automation replacing many crew members (thus reducing daily operating costs) and size ruling out Suez passage, the cost differential between "via Suez" and "via Cape" could cease to be an important factor in future India grain trade. (15)

## Profits Dwindle If Florists Pamper Clientele With Too Much Free Service

Offering "free" services too freely can be a florist's financial undoing.

It's true that the nature of the business makes it necessary for florists to provide a profusion of services—including free delivery, telephone sales, flowers-by-wire, and free parking.

Sound business management can convert these amenities into added sales and profits; unsound methods can make them a liability for the florist.

Thus florists might ask themselves: "What does it actually cost me to offer the service? Am I keeping the cost to a minimum? Are users paying the cost where possible?"

Take free delivery—probably the most widely used florist service.

It's not only free and frequent, but is often at the customer's convenience or demand rather than at the florist's discretion.

As actual added cost, delivery is by far the most expensive of services offered. It costs the florist anywhere from 50 cents to \$2 per stop and represents about 10 per cent of the average order.

Since delivery offers one of the best potentials for cutting down expenses, florists looking for the least-cost method of delivery might weigh the relative monetary advantages of:

—Pooling deliveries involving two or more florists in a given market, or delivering as a single shop;

—Owning vehicles and providing drivers, or leasing commercial services available;

—Offering a discount for orders picked up at the shop;

—Adding a delivery charge in special cases, i.e., for delivery at an unscheduled time, for orders under a minimum value, or for advertised "specials" at reduced prices. (16)

OCEAN FREIGHT RATES FOR HEAVY GRAIN\* IN 1967

U.S. Gulf Ports to—	Vessel Registry	Second quarter, via—		Third quarter, via—	
		Suez	Cape of Good Hope	Suez	Cape of Good Hope
		— Dollars per ton —			
East Coast of India	Foreign	—	—	—	—
	U.S.	29.38	32.99	—	—
West Coast of India	Foreign	14.03	15.95	14.54	15.94
	U.S.	26.55	29.34	26.55	29.75

\* Corn, wheat, soybeans, grain sorghum and similar grains.





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*Europeans are eating more meat but before the European Economic Community (EEC) can put their brand on much more, they'll need feed grain from U.S. to produce it.*

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More than diets will have to change, if the Europeans maintain their steadily increasing rate of eating meat.

The European Economic Community (EEC) will either have to provide more feed grain for its livestock or import more meat.

From 1951 to 1963 the amount of meat eaten in the Community

rose from 6.3 to 10.0 million metric tons. By 1970 this figure could very well rise to 13.7 million metric tons, by 1975 to 16.6 million tons.

This growing demand for more meat and meat products has increased the amount of feed grain consumed by EEC livestock from 19.1 million tons annually in the early 1950's to 34.9 million tons annually in the early 1960's. Comparable figures for 1970 and 1975 are expected to reach 48.6 million tons and 58.4 million tons, respectively.

Between 1956 and 1962 meat

production grew almost as fast as demand, raising hopes that the EEC might be able to eliminate meat imports.

But heavy slaughter of cattle in 1962-63 depleted herds and slowed production. Beef production rose again last year and by 1970 it is expected to reach 90 per cent of consumption.

The high meat prices prevailing in the EEC have provided an incentive to increase both beef and pork production. And while beef production is expanding, the demand for pork will remain strong.

A significant increase in pork output therefore is likely—especially since hogs have a shorter production cycle and consequently offer less risk to the farmer.

EEC countries will probably be close to 100 per cent self-sufficient in pork production in 1970 and 1975 as well.

European poultry production has been expanding spectacularly. With high prices on all meats, and with beef and pork unable to meet the demand without an assist from imports, the poultry industry has grown at an accelerating rate—about a 10 per cent increase in production annually. By 1970 the EEC should be completely self-sufficient in poultry.

Most European beef is produced from dual-purpose cattle on nonspecialized farms. Both beef production and dairy farming, however, are becoming established as separate activities.

At recent prices, EEC farms produce more milk and less beef than the market can absorb and efforts to raise beef output help to increase milk output as well.

The use of grain for livestock feed throughout the Economic Community is projected to rise steadily through 1975. Less important uses of grain include human food and industrial products. This consumption varied little from 29 million metric tons during the past decade. There are no compelling reasons for this situation to change between now and 1975.

In brief, total grain consumption in the EEC may increase through 1975 by about the same amount that use of feed grain increases.

The probable 1970 breakdown by various product categories is: pork production will absorb 21 million tons of feed grain; poultry, over 5 million; beef, nearly 5 million; milk, nearly 9 million and eggs, almost 8 million tons.

In 1975 pork production will likely consume 25 million tons; poultry, 8 million; beef, nearly 6

million; milk, 10 million and eggs, 9 million tons of feed grain.

Unless the rise in EEC grain production increases substantially, the gap between grain consumption and production is expected to widen — thereby strengthening one of the most important conditions underlying U.S. grain exports to the European Economic Community. (17)

## Imports of Agricultural Products By U.S. Continue Rise From '58 Levels

Agricultural products which the U.S. buys in the world market, often vary with the season.

Here's a glance at some of the seasonal variations in U.S. imports that showed up during 1958-1966.

In the early part of the typical year, fresh fruits and vegetables, wool, hides, cocoa beans, canned ham and coconut oil are high on our import list. In the second half of the year, the leading imports include sugar, fresh beef, cattle, copra, casein, cotton, edible nuts and cheese.

Spices, tobacco, coffee, tea and rubber imports, however, don't show seasonal trends.

The business of importing agricultural products into the United States has had its ups and downs in the last 10 years, but has generally trended upward at an average annual rate of \$54 million.

After a 1958 total of \$3,881 million, agricultural imports rose to \$4,099 million in 1959 and then dropped to a low of \$3,691 million in 1961. The next year the value of agricultural imports rose almost \$200 million. By 1964 it had risen to \$4,082 million annually.

In 1966, imports of agricultural products were valued at \$4,492 million—10 per cent over year-earlier levels and nearly 10 per cent higher than the previous record set in 1959.

Average monthly imports were \$374 million in 1966, \$50 million larger than in 1958. (18)

## Nearly Billion Dollars Worth of U.S. Farm Products Bought by EFTA in '66

The European Free Trade Association—second largest trade bloc in Europe—imported about \$926 million worth of U.S. farm products in 1966.

On an individual country basis, we ranked as the No. 1 supplier of farm products to the European Free Trade Association (EFTA).

As a group, the countries of the European Economic Community supplied \$1,272 million worth of farm products. The 39 countries and dependencies associated through preferential trade agreements with either the United Kingdom or Portugal (two of EFTA's seven members) supplied \$3 billion.

Between 1962 and 1966, EFTA's agricultural imports expanded about 23 per cent, rising from \$7.0 billion to \$8.6 billion.

Our share of EFTA's farm imports has fluctuated, but has generally trended downward since 1962. At that time, we supplied 11.6 per cent of the trading area's total farm imports. Our share dropped to a low of 9.4 per cent in 1963 and 1965, but rose again to 10.7 per cent in 1966.

Among individual EFTA members, the U.S. share of total farm imports dropped during 1962-66 in Austria, Switzerland, Denmark, Portugal and associate member Finland; stayed about the same in the United Kingdom and Sweden; and rose in Norway.

Tobacco and corn were EFTA's top imports from us in 1966, worth \$207 million and \$192 million, respectively. EFTA countries also imported substantial amounts of U.S. wheat and flour (valued at \$79 million) and oilseeds (\$77 million).

Our share of EFTA's tobacco, wheat, feed grains, rice, vegetable and oilseed imports has grown since 1962. But we now supply a smaller percentage of the cotton, fats and oils and fruits. (19)



## More Meat, Less Coffee Is Pattern Of Our Farm Imports In Fiscal '67

U.S. farm imports totaled \$4.4 billion in fiscal 1967—the same as in fiscal 1966.

Our purchases of complementary farm products (those not competitive with our own) stood at \$1.8 billion—10 per cent less than the year before. Coffee imports accounted for nearly all of the decrease—dropping 17 per cent to \$978 million in 1966/67. Other reductions were noted for carpet wool, crude rubber and tea. U.S. banana imports advanced to a record 3.8 billion pounds, valued at \$182 million in fiscal 1967. Our imports of cocoa beans were also up slightly in value.

U.S. imports of supplementary farm products (those that are partially competitive with our own) totaled an estimated \$2.6 billion—6 per cent more than in fiscal 1966, a record high. Most of last year's increase was due to larger imports of beef and veal, dairy products, sugar, vegetables and fruits.

Supplementary imports now represent about 60 per cent of total U.S. agricultural imports, compared with only 44 per cent during 1950-54. Imports of animal products alone have risen 57 per cent since 1950-54. Higher incomes and greater demand for timesaving food preparations have encouraged imports of meats for manufacturing prepared products such as ready-to-cook hamburgers and luncheon meats. Our vegetable imports are also up one-third from 1950-54 as we have imported more fresh produce during the domestic off-season. (20)

## EEC'S Import Basket Includes \$1.8 Billion in Products of U.S. Farms

Agricultural products worth \$18.7 billion went in and out of European Economic Community countries in 1966. This was a 6 per cent increase over "Common Market" agricultural export-import trade in 1965.

Imports of farm products, at about \$12.9 billion, made up 69 per cent of EEC agricultural trade

and were 7 per cent above 1965.

About \$3.2 billion worth of the imports originated within the EEC and the other \$9.7 billion came from "outside" countries—among which the U.S. continued to be the largest supplier.

EEC imports of U.S. farm products last year rose 10 per cent from 1965 to reach \$1.8 billion. This figure represents a 57 per cent growth in imports from the U. S. since 1960.

Much of this growth has been stimulated by increased demand for meat products along with animal feeds.

Imports by the EEC of meat animals and animal products in 1966, for example, rose 6 per cent from a year earlier; feed grains, also 6 per cent; other animal feedstuffs, 22 per cent; and oilseeds (byproducts of which are used for animal feed) were up 18 per cent.

About three-fourths of the \$5.8 billion worth of 1966 EEC agricultural exports were traded within the Community; most of the balance went to other European countries. (21)

## Foreign Spotlight

**GUATEMALA.** A new sugar mill and refinery are being constructed at Los Cerritos. The local company is being financed by a West German banking firm. Total investment is reported at about \$6 million, of which approximately \$4.2 million will be for machinery and equipment and \$1.8 million for engineering, construction and transportation costs. It is expected to be ready to handle sugar from the 1968/69 crop year at a production capacity of 3,000 metric tons per day. This will be the first mill in the country to produce refined white sugar for domestic markets. Substantial exports of unrefined sugar are also expected.

**BRAZIL.** Land planted to rice may have increased as much as 30 per cent this year due to last year's

favorable prices and a 45-per cent rise in guaranteed minimum prices.

**INDIA.** The Jute Development Council has set a production target of 9 million bales (180 kilograms each) for the 1968/69 season. This is about 2 million more than this year and double the harvest of 1965/66. Jute products earn India over \$300 million annually in foreign exchange. They account for about half the value of India's exports to the U.S.

**PORTUGAL.** Agricultural imports last year amounted to \$246 million. Of this amount, \$31.2 million was from the U.S.—a 40-per-cent increase from year-earlier levels. Exports of agricultural products to the U.S. were up 15 per cent, totaling \$10 million—10 per cent of all Portuguese agricultural exports. (22)



SOPHISTICATION

IN

# DEHYDRATION

*Tomorrow's consumer will bring home many of his ordinary foods in new-styled dehydrated condition. They'll not only 'stay fresher' longer, they'll weigh less, too.*

The family food buyer will be tempted in the coming year by about 1,500 new food products appearing for the first time on grocers' shelves across the country.

While the shopping bag will probably be carrying more items, they're likely to weigh less. Reason? Use of dehydrated food is on the upswing.

Drying food is such an old method of preservation that it can be credited to no one. Maybe a caveman hunter hung a rabbit in a tree to keep the dogs from getting it. It dried in the sun and after a few days the hunter was hungry enough to eat it.

In the millenia since, man's drying methods have become more sophisticated. Sun-drying, at least in the U.S., has been largely supplanted by artificial heating methods that add speed and palatability.

To consumers—and marketers as well—dehydrated foods have the advantage of being lighter in weight, and less bulky when the

product is compacted.

This means lower transportation and handling costs and the elimination of refrigeration costs that go along with frozen or fresh foods.

Evolution, rather than revolution, is the term that best describes the present status of the dehydrated food industry.

Many new drying methods are gradually being introduced. In some cases they are being combined with other techniques, such as freezing and canning. With their perfection, we can expect a stream of new dehydrated products to come on the market.

For example, dried eggs have already evolved into such products as scrambled-eggs-and-bacon, popular with campers.

And pioneer potato flakes and potato granules have become part of packaged casserole dishes.

Other ingredient mixes are continually being discovered and developed. These will utilize familiar dried staples, such as skim milk powder, dried eggs and dried flavorings. Some current examples now on the market are milk shake mixes, instant breakfasts, flour mixes, and prepared desserts.

Here are some of the dehydrated items that consumers will probably be seeing more often.

—Fruits and fruit products, including orange, grapefruit, pineapple and lemon juices, and even applesauce.

—Vegetables in increasing volume: tomatoes, green beans, green peas and asparagus.

—Dairy products: cottage cheese, sour cream, natural and processed cheeses and "dips."

—Meats of improved quality and flavor as new drying techniques emerge.

The combination of processing advances, lower transport costs of dehydrated foods, and greater use of air freight could further widen marketing horizons for dried foods and at the same time enhance consumer menus.

Items of the future could include salmon from Alaska; lobster tails from South Africa; papaya powder from Hawaii and banana powder from Ecuador; and passion fruit crystals and mango concentrate from a number of tropical areas.

Hitherto undried products, like nuts, may also be dehydrated in the years ahead. Too, the list is not limited to edibles. Wool, for example, might be dried in New Zealand or Australia and shipped to U.S. markets at a transportation saving reflected in retail prices. (23)



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**WORLD FOOD SITUATION.** Martin E. Abel and Anthony S. Rojko, Foreign Regional Analysis Division. FAER 35.

This situation report deals with world production and use of grains. Most of man's food comes from grains, so that trends in grain production and consumption fairly represent trends in the total food situation.

It includes data for 1964/65 and projections to 1970 and 1980.

**WESTERN HEMISPHERE AGRICULTURAL SITUATION: MIDYEAR REVIEW.** Western Hemisphere Branch, Foreign Regional Analysis Division. ERS-For. 198.

Improved growing conditions indicate a strong recovery in Latin American agriculture, with output near the record of 1965. Canadian farm output may not equal the record achieved in 1966.

This report is based on information available as of September 1 and updates *The Western Hemisphere Agricultural Situation—Review of 1966 and Outlook for 1967*, ERS-For. 187.

**THE EUROPE AND SOVIET UNION AGRICULTURAL SITUATION: MIDYEAR REVIEW.** Europe and Soviet Union Branch, Foreign Regional Analysis Division. ERS-For. 196.

The outlook for agricultural production in Europe and the USSR was generally favorable as of mid-August 1967.

This report updates *The Europe and Soviet Union Agricultural Situation—Review of 1966 and Outlook for 1967*, ERS-For. 185.

**THE FAR EAST AND OCEANIA AGRICULTURAL SITUATION: MIDYEAR REVIEW.** Far East Branch, Foreign Regional Analysis Division. ERS-For. 197.

Imports of food into countries of East and South Asia continue at high levels in 1967.

This report updates *The Far East and Oceania Agricultural Situation—Review of 1966 and Outlook for 1967*, ERS-For. 188.



## recent publications

*The publications listed here are issued by the Economic Research Service and cooperatively by the state universities and colleges. Unless otherwise noted, reports listed here and under Sources are published by ERS. Single copies are available free from The Farm Index, OMS, U.S. Department of Agriculture, Washington, D.C. 20250. State publications (descriptions below include name of experiment station or university after title) may be obtained only by writing to the issuing agencies of the respective states.*

**CONCENTRATED FEEDINGSTUFFS FOR LIVESTOCK IN THE UNITED KINGDOM.** Paul W. H. Weightman, New York Agricultural Experiment Station in cooperation with the Economic Research Service. A. E. Res. 255 (Ithaca, Cornell Station).

Consumption and supply of concentrated feedingstuffs in the United Kingdom in 1960-61 and 1965-66 are reviewed to project needs for livestock in the future.

**ENGINEERING AND ECONOMIC ASPECTS OF COTTON GIN OPERATIONS... MIDSOUTH, WEST TEXAS, FAR WEST.** Charles A. Wilmot, Victor L. Stedronsky, Zolon M. Looney and Vernon P. Moore, Marketing Economics Division. AER 116.

Since 1926, U.S. cotton produc-

tion has increased slightly, while the number of active gin plants has declined rapidly. Gins in major producing areas have increased in size. The adoption of mechanical harvesters and chemical defoliants has resulted in a shorter peak harvest period and increasing demands on ginning capacity.

This study was undertaken to provide ginners with scientifically developed plans for gin machinery combinations and arrangements which may be adapted to meet their specific requirements.

**RESOURCE USE ADJUSTMENTS IN SOUTHERN RICE AREAS. PART I. EFFECTS OF PRICE CHANGES WITH UNRESTRICTED RICE ACREAGES.** Southern Cooperative Series Bulletin 122, June, 1967, published in cooperation with the Economic Research Service. (Order from Arkansas Agricultural Experiment Station, Fayetteville).

Although the United States produces only slightly over 1 per cent of the world crop, it is the third most important exporter of rice.

This report evaluates potential for greater rice production in the United States and the conditions relative to management practices, costs, and prices received which would foster an expanded output.

**THE WHY AND HOW OF RURAL ZONING.** Erling D. Solberg, Natural Resource Economics Research Division. AIB 196.

As the nonfarm rural population continues to grow with its demand for nonfarm business and services, community planning becomes increasingly important.

This bulletin describes the various kinds of rural zoning regulations that can be used, how they are to be used, their purposes, and the benefits to the community and its people resulting from their use. It is intended to present an overall picture of the progress of zoning in the United States and of problems and steps involved in zoning.



**TAXATION OF FARMLAND ON THE RURAL-URBAN FRINGE.** Thomas F. Hady and Thomas F. Stinson, Economic Development Division. AER 119.

This report summarizes attempts by states to meet a rising problem of growth in the urban fringe areas—the rapid increase in tax levies on farmland adjacent to metropolitan areas. The majority of the states' approaches fall into four categories: plain preferential assessment, tax deferral, planning and zoning and easement. The states' activities are summarized separately.

**STATISTICS ON FERTILIZER CONSUMPTION IN NORTH DAKOTA: 1951 TO 1966.** Leroy W. Schaffner and Stanley W. Voelker, North Dakota Agricultural Experiment Station, in cooperation with the Economic Research Service. N.D. Agri. Expt. Sta. AE No. 53.

This summarizes estimates of fertilizer consumption trends from 1951 to 1966 made by various agencies. The estimates were developed for a national effort to estimate amount of fertilizer and plant nutrients applied to each crop within each state and agricultural subregion.

**FERTILIZER USED ON CROPS AND PASTURE IN INDIANA: 1964 ESTIMATES, WITH COMPARISONS TO 1959 AND 1954.** George D. Irwin, Farm Production Economics Division

and Jerry V. Mannering, Soil and Water Conservation Research Division, Agricultural Research Service, in cooperation with the Indiana Agricultural Experiment Station. Ind. Agri. Expt. Sta. Research Progress Report 307.

This report on fertilizer use in Indiana was prepared for use in a national report for 1964 prepared by the Department of Agriculture.

**MACHINES AND EQUIPMENT ON FARMS WITH RELATED DATA, 1964 AND 1959.** Paul E. Strickler, Farm Production Economics Division. Stat. Bul. 401.

The tables in this report have been developed from preliminary reports of the 1964 Census of Agriculture showing numbers of farms using specified machines and numbers of those machines on farms. Wherever possible, the information is compared with data from the 1959 census. The summaries of the census material in tabular form will serve as a convenient reference to people interested in farm mechanization.

**TRIAL USE OF FOAM SPRAY-DRIED WHOLE MILK IN SELECTED TYPES OF INSTITUTIONS.** Denis F. Dunham, Marketing Economics Division. ERS-348.

The dairy industry has been seeking new whole milk products that might reverse the downward trend in the per capita consumption of whole milk. This study re-

ports on the market possibilities for foam spray-dried whole milk, a new product developed in the Department of Agriculture.

**ECONOMIC EFFECTS OF ALTERNATIVE MARKET EGG PRODUCTION ORGANIZATIONS.** E. S. Micka, Farm Production Economics Division and I. F. Fellows, Connecticut Agricultural Experiment Station (Storrs). Conn. Agri. Expt. Sta. Bul. 403.

Egg producers in Connecticut are facing important technological changes in farm production and processing practices. Opportunities exist to reduce labor costs and improve net revenue by adopting laborsaving equipment and methods. This survey covers 22 specialized market egg producers and their production techniques.

**ECONOMICS OF FARM SIZE IN THE WASHINGTON-IDAHO WHEAT-PEA AREA.** E. L. Michalson, Farm Production Economics Division in cooperation with Washington Agricultural Experiment Station. Wash. Agri. Expt. Sta. Tech. Bul. 52.

Pacific Northwest wheat-pea farms are analyzed in this bulletin. Objectives of the research were to examine the efficiency and profitability of various sizes of wheat-pea farms and to compare the effects of the farm program alternatives on economies of size.

### *Numbers in parentheses at end of stories refer to sources listed below:*

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*Speech (S); published report (P); unpublished manuscript (M); special material (SM); \*State publications may be obtained only by writing to the experiment station or university cited.*

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### Migrants' Moves

Migratory workers, by definition, leave their homes temporarily to travel to their jobs. But many don't travel very far.

Half of the 386,000 migrant farmworkers in 1964 traveled less than 75 miles from home; more than three-fifths worked within their home state.

Migrants who traveled less than 75 miles did three times as much nonfarm work as the migrants who traveled longer distances—possibly because the short-distance migrants already had nonfarm jobs at home and turned to migratory work for only brief periods. Their nonfarm earnings were about \$1,100 for 110 days of work.

Migrants traveling over 75 miles spent shorter periods at home and had fewer nonfarm jobs. They averaged only 38 days of nonfarm work, for which they were paid an average of \$400.

Most migrant workers—whether they were part of the 50 per cent who traveled less than 75 miles from home or the 20 per cent who traveled 1,000 miles or more—went back to their starting point at the end of the agricultural season.

A survey in December 1964 showed that more than four-fifths of all migrants had returned to their home county. The remainder were still presumably following the crops or had found permanent jobs and relocated in a new county.

Those still on the road in December had completed twice as many days of farmwork during the year and had earned twice as much in farm wages as workers who had returned home. (24)

# THE FARM INDEX

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